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DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: December 5, 1996

EFFECTIVE: January 1, 1997

12:01 a.m.

Due to the latest data available as of December 5, 1996, as applied to the Producer Formula the Producer Formula Index has been calculated to be 290.78. (Docket #69-84, first price announcement effective 7/01/84)

MINIMUM PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

EFFECTIVE JANUARY 1, 1997, the minimum price to be paid milk producers, under ARM 32.24.301, will be \$14.16 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of seven and one-half cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be seventy-five cents (\$0.75).

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

STATE DOCUMENTS COLLECTION

\$11.91 /CWT

Average spray process dry milk solids				
price per pound	=	\$1.26250		
Multiplied by 8.2	x	8.2		
			\$10.35250	
PLUS +				
Average Grade 'A' 92 score butter				
price per pound	=	\$0.63500		
Multiplied by 4.2	x	4.2		
			\$2.66700	+ \$2.66700
LESS 8.5% (\$13.01950 X .085)		\$13.01950 - \$1.10666
				\$11.91284

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CLASS II BUTTERFAT PRICE PER POUND **\$0.70 /LB**

Butterfat differential	(\$0.63500 X .111)	=	\$0.07049
Rounded to the nearest half cent	=			\$0.070

CLASS II VALUE OF ONE POUND OF SKIM **\$0.09803 /LB**

Butterfat value per pound for milk at 3.5% test:	=	\$0.70	
Hundredweight price of milk testing 3.5% LESS 3.5 pounds of butterfat at	\$0.70 per pound	=	\$11.91
	-		\$2.450
Value of 96.5 pounds of skim		=	\$9.460
Value of one pound of skim	9.460 / 96.5 pounds)	=	\$0.09803 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND **\$0.57 /LB**

Avg. Grade 'A' 92 score butter price/LB	\$0.63500
LESS 10%	<u>\$0.06350</u>
	\$0.57150

Rounded to the nearest whole cent = \$0.57 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED **\$8.59 /CWT**

Avg. spray process dry milk solid price/LB	\$1.26250
Multipled by 8.2	<u>8.2</u>
	\$10.35250
LESS 17%	<u>\$1.75993</u>
	\$8.59257

Rounded to the nearest whole cent = \$8.59 per hundredweight.

CLASS III PRICE PER CWT FOR MILK TESTING 3.5% **\$10.29 /CWT**

3.5 pounds of butterfat	x	\$0.57 per pound =	\$1.995
96.5 pounds of skim		\$0.08593 per pound =	<u>\$8.292</u>

BY ORDER OF THE MONTANA MILK CONTROL BUREAU **\$10.287 /CWT**

Compiled by: Marilyn Koontz
 Marilyn Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.16 FOR 3.5% MILK 96.5 LBS = \$11.535		CLASS II SKIM PRICE BASED ON \$11.91 FOR 3.5% MILK 96.5 LBS = \$9.460		CLASS III SKIM PRICE BASED ON \$10.29 FOR 3.5% MILK 96.5 LBS = \$8.292	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.11831	2.50	\$0.09703	2.50	\$0.08505
2.55	\$0.11837	2.55	\$0.09708	2.55	\$0.08509
2.60	\$0.11843	2.60	\$0.09713	2.60	\$0.08514
2.65	\$0.11849	2.65	\$0.09718	2.65	\$0.08518
2.70	\$0.11855	2.70	\$0.09723	2.70	\$0.08522
2.75	\$0.11861	2.75	\$0.09728	2.75	\$0.08527
2.80	\$0.11867	2.80	\$0.09733	2.80	\$0.08531
2.85	\$0.11873	2.85	\$0.09738	2.85	\$0.08536
2.90	\$0.11880	2.90	\$0.09743	2.90	\$0.08540
2.95	\$0.11886	2.95	\$0.09748	2.95	\$0.08544
3.00	\$0.11892	3.00	\$0.09753	3.00	\$0.08549
3.05	\$0.11898	3.05	\$0.09758	3.05	\$0.08553
3.10	\$0.11904	3.10	\$0.09763	3.10	\$0.08558
3.15	\$0.11910	3.15	\$0.09768	3.15	\$0.08562
3.20	\$0.11916	3.20	\$0.09773	3.20	\$0.08566
3.25	\$0.11922	3.25	\$0.09778	3.25	\$0.08571
3.30	\$0.11929	3.30	\$0.09783	3.30	\$0.08575
3.35	\$0.11935	3.35	\$0.09788	3.35	\$0.08580
3.40	\$0.11941	3.40	\$0.09793	3.40	\$0.08584
3.45	\$0.11947	3.45	\$0.09798	3.45	\$0.08589
3.50	\$0.11953	3.50	\$0.09803	3.50	\$0.08593
3.55	\$0.11960	3.55	\$0.09808	3.55	\$0.08597
3.60	\$0.11966	3.60	\$0.09813	3.60	\$0.08602
3.65	\$0.11972	3.65	\$0.09818	3.65	\$0.08606
3.70	\$0.11978	3.70	\$0.09823	3.70	\$0.08611
3.75	\$0.11984	3.75	\$0.09829	3.75	\$0.08615
3.80	\$0.11991	3.80	\$0.09834	3.80	\$0.08620
3.85	\$0.11997	3.85	\$0.09839	3.85	\$0.08624
3.90	\$0.12003	3.90	\$0.09844	3.90	\$0.08629
3.95	\$0.12009	3.95	\$0.09849	3.95	\$0.08633
4.00	\$0.12016	4.00	\$0.09854	4.00	\$0.08638
4.05	\$0.12022	4.05	\$0.09859	4.05	\$0.08642
4.10	\$0.12028	4.10	\$0.09864	4.10	\$0.08647
4.15	\$0.12034	4.15	\$0.09870	4.15	\$0.08651
4.20	\$0.12041	4.20	\$0.09875	4.20	\$0.08656
4.25	\$0.12047	4.25	\$0.09880	4.25	\$0.08660
4.30	\$0.12053	4.30	\$0.09885	4.30	\$0.08665
4.35	\$0.12060	4.35	\$0.09890	4.35	\$0.08669
4.40	\$0.12066	4.40	\$0.09895	4.40	\$0.08674
4.45	\$0.12072	4.45	\$0.09901	4.45	\$0.08678
4.50	\$0.12079	4.50	\$0.09906	4.50	\$0.08683

